
LEGISLATION AND POLICY

FY1998 Funding for U.S. Foreign Operations Programs

BY

**Madeleine K. Albright
Secretary of State**

[The following is a reprint of Secretary Albright's remarks before the Subcommittee on Foreign Operations of the Senate Appropriations Committee in Washington, DC, on June 16, 1998.]

Mr. Chairman [Sen. Mitch McConnell, R., KY] and members of the Subcommittee, good morning. I am pleased to be here to seek your support for the President's request for funds for the foreign operations programs of the United States.

I want to acknowledge at the outset that this Subcommittee and its members have been leaders in supporting a principled and purposeful U.S. foreign policy. We have not always agreed on all subjects, but the disagreements have almost always been on tactics, not goals. We all agree that the United States is, and should remain, vigilant in protecting its interests, careful and reliable in its commitments and a forceful advocate for freedom, human rights, open markets and the rule of law.

The budget request before you seeks to ensure that we have the foreign policy tools we need to sustain our leadership. It includes funds for programs that help us promote peace and maintain our security; safeguard our people from the continuing threat posed by weapons of mass destruction; build prosperity for Americans at home by opening new markets overseas; promote democratic values and strengthen democratic institutions; respond to the global threats of international terrorism, crime, drugs and pollution; and care for those who are in desperate need of humanitarian aid.

Given the scope of American interests, the range of threats to our security, the connections between our prosperity and that of others, and America's role as a champion of freedom and defender of human rights, we need the full measure of U.S. influence and leadership at this critical time. I urge you to help us, as you have in the past, to obtain the resources we need to conduct our foreign policy in the way our interests demand and our citizens deserve.

I would like to begin my discussion here this morning with our programs for maintaining the security and safety of our people.

I. PEACE AND SECURITY

The Middle East

One region that is central to maintaining international security and peace is the crescent of land bridging Asia and Europe, including the Gulf and Middle East. Here, American policy is designed to strengthen the forces of peace, encourage regional economic integration, marginalize extremists, and defeat terror.

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 1998		2. REPORT TYPE		3. DATES COVERED 00-00-1998 to 00-00-1998	
4. TITLE AND SUBTITLE FY1998 Funding for U.S. Foreign Operations Programs				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Defense Institute of Security Assistance Management (DISAM),DISAM/DR,2475 K Street,Wright-Patterson AFB,OH,45433-7641				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES The DISAM Journal, Summer 1998, Volume 20, Number 4, p.13-27					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 15	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

In Iraq, our primary purpose remains what it has been since the Gulf War ended seven years ago. We are determined to prevent Saddam Hussein from ever again threatening Iraq's neighbors or the world. And we want to do all we can to ease the hardships faced by the Iraqi people as a result of his misrule.

Since 1991, Iraq's path to renewed respectability has been open through compliance with all relevant Security Council resolutions. But in spite of the strong incentive provided by sanctions, Iraq has not been willing to take this road. Instead, its leaders have lied and concealed information, and harassed and blocked UN weapons inspectors. As a result, a journey that could have been completed in a matter of months remains far from finished. And Saddam's intransigence has deprived the Iraqi people of over \$100 billion in oil revenue.

Under its February agreement with the UN, Iraq is obliged to provide UN inspectors with full access to all sites, including those from which they were previously barred. To date, inspections under this agreement have gone smoothly. But UNSCOM must continue to test Iraq's promises. The Security Council must be rigorous in judging Iraq's actions not according to some artificial timetable, but according to the quality of information received and actions taken.

The United States will continue to insist on Iraqi cooperation that satisfies not just the letter, but the spirit of Security Council resolutions. And unless that occurs, sanctions will remain. And to keep a lid on Saddam's military options, we will continue to enforce the no-fly and no-drive zones. Although our military is returning to its prior force levels in the Gulf, our troops there remain strong, versatile, well led and well equipped. If the need should arise, they can and will be promptly reinforced. As always, the United States will not make a decision to take military action lightly, but we are prepared to do so if that is required to protect our interests and our friends. In the meantime, we will do all we can through the United Nations to ease the hardships faced by the Iraqi people.

Across the border from Iraq in Iran, there are signs that popular support is building for a more open and less confrontational approach to the world. The United States would welcome that. An Iran that accepts and adheres to global norms on terrorism, proliferation, and human rights could be a significant contributor to the security and prosperity of the entire region. Iran's President Khatemi has called for a dialogue between our two peoples. There is merit in this, for we have much to learn from each other. But the issues and deeds that have divided us these past two decades are not matters of respect between our two peoples, but matters of policy that ultimately must be addressed by governments.

Elsewhere in the region, America's interests are best served when we help meet the challenge of building peace—for peace creates a climate friendly to economic growth and democracy, which leads, in turn, to greater stability. This is true, for example, in the Caucasus and Cyprus. It is also true in the Middle East, where we continue to strive with our Israeli, Palestinian and Arab partners to make progress towards a just, lasting, and comprehensive peace.

Unfortunately, the Arab-Israeli peace process remains stalled. Historic accomplishments and future hopes are both at risk. Indeed, the longer the present stalemate continues, the greater the chance that the momentum that had been built in the direction of peace will snap back and begin to run in reverse. If that happens, we may see a future in the Middle East that mirrors the grim and conflict-ridden past. That would not be in the interest of the United States, our Israeli allies and friends, the Palestinians or anyone but the forces of extremism and terror. For that reason, the United States has been working patiently to help Israelis and Palestinians overcome their crisis of confidence and put the process back on track.

Over the past several months, we have sought to create an environment that would trigger permanent status negotiations. Chairman Arafat has accepted in principle our ideas for doing so. We are now working with Prime Minister Netanyahu to see whether there is a way for Israel to accept them as well.

I believe there is a possibility to reach agreement, and we will continue our efforts as long as we believe that Israelis and Palestinians are serious about doing so. At the same time, we cannot make the parties agree. Nor would it be appropriate for us to try. For just as the credit for opportunities opened by peace would belong to Israeli and Palestinian leaders, so would responsibility for the consequences of failure rest with those who make progress towards peace impossible to achieve.

As we continue our diplomatic efforts, I hope that I can count on your support to fund the programs that help make the peace process possible, such as our requests for Economic Support Funds and Foreign Military Financing to our partners in peace—Israel, Egypt, Jordan and the areas under Palestinian self-rule. We have requested that aggregate assistance for the region remain at the same level as in previous years. Within that total, I hope we can work together to find appropriate funding for all our concerns in the Middle East.

Over the years, the level of assistance provided to this region has been the subject of increasing scrutiny as foreign aid budgets have decreased and dollars are more carefully allocated than ever. We welcome the initiative of the Israeli Government in beginning discussions with the Executive Branch and Congress on a gradual reduction, and eventual phase-out, of economic support funds, coupled with a proposed increase in military assistance. I look forward to working closely with you as we move discussions forward on this subject.

Europe

In Europe, we have two strategic goals. We work with our allies and partners across the Atlantic to respond to the global challenges no nation can meet alone. And we work together to build a Europe that is itself peaceful, undivided, and free.

The Senate's vote this spring to enlarge and strengthen NATO has sent a message to our old and new allies that America will continue to defend its interest in the peace and security of Europe. It has made it clear to Europe's new democracies that we are not going to treat them as second-class citizens in the future simply because they were subjugated in the past. And it is a resounding bipartisan signal that America will defend its values, protect its interests, stand by its allies, and keep its word. I congratulate members of this Subcommittee for their roles in this historic decision, whether as supporters or as thoughtful skeptics who demanded that hard questions get sound answers.

In the quest for a peaceful, undivided Europe, our efforts in support of the peace process in Northern Ireland also have borne fruit. The "Good Friday" agreement, approved by sizeable majorities in the North and South last month, marks a turning point in the history of that troubled province. I thank this Subcommittee for its support for the annual U.S. contribution to the International Fund for Ireland, which serves as a tangible expression of our support for peace in Northern Ireland.

Two years ago, also in support of a Europe at peace, the United States led the effort to stop the war in Bosnia. We recognized that it did not serve American interests to see aggression undeterred, hatred unleashed, and genocide unchecked and unpunished in the heart of Europe. Now, we must finish what we started and continue helping the parties to implement the Dayton Accords.

Bosnia today remains deeply divided. But multi-ethnic institutions are once again beginning to function. Economic growth is accelerating. Air and train links are being restored. Despite troubling violence, more refugees are returning. And more indicted war criminals are facing trial. Since I appeared before this Subcommittee last year—and with your strong support for our renewed emphasis on apprehending war criminals—more than 30 people indicted as war criminals have surrendered or been turned over to the International Criminal Tribunal for the former Yugoslavia in The Hague. Perhaps most importantly, a new Bosnian Serb government

has turned its commitment to implementing Dayton into action—encouraging minority returns, enacting a program of privatization, taking an active part in Bosnia's national institutions.

We must make good on our pledge to support the new Bosnian Serb leaders as they work toward these goals. That is why I have waived restrictions on our assistance to help rebuild infrastructure and revitalize private business—when and where Serbs are ready to work with their neighbors. Our aid to Serb regions—as to others—is strictly conditioned on progress in implementing Dayton. It will support those who seek to build peace, not those who would undermine it.

Overall, we are requesting \$225 million for Bosnia in Fiscal Year 1999, primarily from the Support for Eastern European Democracy (SEED) program. These resources will support economic reconstruction, humanitarian assistance, democratic development, and physical rebuilding, as well as U.S. police monitors and reform of Bosnian police forces. These programs are designed to continue and make irreversible the progress that Bosnian communities are finally beginning to see.

The United States should continue to play an appropriate role in Bosnia as long as our help is needed, our allies and friends do their share, and most importantly, the Bosnian people are striving to help themselves. That is the right thing to do. And it is the smart thing—for it is the only way to ensure that when our troops do leave Bosnia, they leave for good. Today, the international community faces a second challenge in the Balkans—preventing the escalation of violence and helping the parties find the path to peace in Kosovo.

There, Serb repression has spurred a cycle of violence that has killed hundreds of civilians, left dozens of villages in ruins, and sent thousands of refugees into neighboring Albania and the Former Yugoslav Republic of Macedonia. Without international involvement, Mr. Chairman, there is no natural endpoint to the conflict unleashed by President Milosevic. There is a growing risk that fighting will spill across the border and draw in neighboring countries.

Last Friday, in London, leading nations agreed on a strong message to President Milosevic to cease his brutal and provocative military campaign; enter a serious dialogue with leaders of the Kosovar Albanian community; and take steps to see that the legitimate rights of all the people of Kosovo will be respected.

To encourage a positive Serb response, NATO leaders, including the United States, have not ruled out the use of force if the violence in Kosovo continues. In preparation, the alliance has decided to move forward with air exercises in Albania and the FYROM. Further contingency planning is underway. The United States would strongly prefer a diplomatic outcome that restores peace to Kosovo based on respect for the rights of all. We condemn acts of violence by all sides, including the Kosovar Liberation Army. But we must also oppose as strongly and effectively as we can the campaign of terror and de-population being waged by Serb forces. The expansion of NATO and the effort to build and maintain peace in the Balkans are important parts of our effort to build a Europe that is wholly democratic and stable. But there are a number of other initiatives, as well.

For example, we are encouraging integration among nations of the Nordic and Baltic region, and helping strengthen their ties with us, their neighbors, and European and transatlantic institutions.

We strongly support the expansion of the EU into central and Eastern Europe, and Turkey's desire to be part of that process. We are working hard to achieve a settlement in Cyprus that respects the rights and needs of both communities. We are putting in place a new Southeast Europe strategy to help integrate countries in that region into western institutions.

We are leading the transformation of the OSCE [Organization for Security and Cooperation in Europe] into an organization that produces not just reports, but results. The funding we have requested for the OSCE helps support human rights and elections monitoring in Bosnia and

Croatia: special arms control regimes across the former Yugoslavia; and conflict resolution missions elsewhere in Eastern Europe. Finally, we are once again asking your help in funding the Support for East European Democracy (SEED) programs. As two more states, Hungary and Latvia, conclude their use of SEED programs this year, we are shifting our focus to the countries of southeastern Europe, whose political and economic transformations are more slow and uncertain. In addition to our efforts in Bosnia, we will be supporting economic stabilization in Bulgaria and Romania, to help reforms begun in good faith to generate positive results. And we will be promoting regional partnerships to use the region's own resources to stimulate growth.

Although a great deal of the world's attention has been focused elsewhere, Mr. Chairman, our efforts to build security and democracy continue in the New Independent States (NIS).

We were pleased to see President Yeltsin's new Prime Minister, Sergei Kiriyenko, confirmed by the Duma in April and look forward to working with him to build on the past accomplishments of the U.S.-Russia Bilateral Commission. Unfortunately, Russia faces an even more difficult economic environment than it did just a year ago. The Asian financial crisis, a substantial decline in world oil prices, and insufficient implementation of fiscal and other reforms have darkened the economic outlook considerably.

President Clinton has made clear, as have our G-7 partners, that there should be additional, conditional support from international financial institutions in the context of a strong Russian reform program, if that support proves necessary.

Meanwhile, the United States and Russia continue to work together on a broad range of issues from peacebuilding in Bosnia to proliferation in South Asia to dealing with Saddam Hussein.

During the many times I have seen Foreign Minister Primakov in recent weeks, I have raised American concerns about Russian cooperation with Iran's nuclear and missile programs, as well as related matters, including President Yeltsin's effort to gain Duma ratification of START II. And I have urged the Foreign Minister to recognize the depth and seriousness of American opposition to religious discrimination in Russia, and our concerns about Russia's new religion law.

Mr. Chairman, we agree that an independent, democratic, and prosperous Ukraine can be a keystone in the archway to the new Europe. Our efforts to build a strong relationship with Ukraine have led to better cooperation in the area of non-proliferation, including an express commitment by its government to cancel participation in the Bushehr nuclear reactor project. In April, I certified that Ukraine has made significant progress toward resolving the concerns of the dozen U.S. businesses that have faced extraordinary obstacles in operating and investing there. But this is by no means a clean bill of health. For as you know, Mr. Chairman, I was barely able to certify. And we are withholding a portion of our assistance to the Ukrainian government pending progress on reform. Ukraine's friends abroad and the international business community are watching closely. Ukraine has no margin for error. It is our strong hope that President Kuchma will demonstrate the leadership, and the new Rada the wisdom, to press ahead quickly with overdue reforms. Throughout the NIS, a great deal of work remains to be done to build stable democratic governments and functioning, transparent market economies. In this connection, the Administration continues to seek repeal of Section 907 of the Freedom Support Act. [P.L. 102-511, 24 Oct 1992]. This would restore balance in our policy toward Azerbaijan and Armenia, and reinforce our role as an honest broker in the peace process. [Section 907 presently prohibits all U.S. assistance to Azerbaijan other than for non-proliferation and disarmament purposes. The prohibitions remain in place "until the President determines, and so reports to the Congress, that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh."]

In the coming year, we will continue to promote peaceful solutions to regional disputes in the Caucasus. We will work to support and strengthen democratic institutions. And we will continue to foster regional cooperation in Caspian energy development and transportation infrastructure. I

know these issues are of great interest to many in Congress, and I welcome your support in providing the tools we need to make progress. Our contributions to democracy building through the Partnership for Freedom will not re-make the region overnight, but they can help those in the region who are helping themselves to move in the right direction. For example, our support fosters economic development by encouraging investment in small businesses; promotes tax reform and transparent and effective regulation of industry; helps to build accountable democratic institutions; and fights the crime and illicit dealing that have shadowed emerging markets.

We fund these NIS programs neither as a favor to governments in the region nor as a stamp of approval of all their policies, but because they serve American interests. And frankly, we need to do more. These priority programs were funded well below our request last year. So I urge you to back our full request for \$925 million this year. And I ask that you grant the flexibility we need to support democratic and market reforms wherever in the region they flower—and whenever our support will best serve America's interests.

Asia

In Asia, we are working to maintain stability by solidifying our key alliances with Australia, Japan, the Republic of Korea, the Philippines and Thailand.

I had the great pleasure of visiting Japan last month to reaffirm the strength and breadth of our bilateral relationship. The U.S.-Japan security alliance is a foundation of Asian stability. I took the opportunity, while in Tokyo, to express U.S. concerns about Japan's economic situation and the need for efforts to promote domestic-led growth and deregulation. I also had a chance in May to visit Korea, whose new President Kim Dae Jung was in Washington for a state visit just last week. During that visit, President Clinton made it clear that the United States remains committed to South Korea's security and supports President Kim's bold program of economic reform. We are also coordinating efforts to facilitate a lasting peace on the Korean Peninsula, to be achieved through a process of dialogue between North and South.

Obviously, the past twelve months have been difficult for many parts of Asia. Our policy has been to promote economic and political reforms that are essential to prosperity and human dignity from Bangkok to Beijing. In Korea, the Philippines, and Thailand, for example, democratic governments have made progress in overcoming the Asian economic crisis in part because their people were able to elect new governments, which started work in a climate of openness and trust, and with the moral legitimacy to call for shared sacrifice.

Indonesia now has a chance to achieve both democracy and stability, but it also faces immense challenges—from restoring growth, to preserving religious tolerance, to building truly representative institutions. Democracy can only be built by the people of Indonesia. But what America says and does will matter, as it has in other critical periods in Indonesia's history.

Our message is simple. America's interest lies not in who rules Indonesia, but in how that immense and important country is ruled: whether it ends up with a legitimate democratic government, or an unrepresentative, unaccountable, and therefore unstable regime. The key is credible progress toward open, accountable government. Free elections must be held in a timeframe and under rules acceptable to the Indonesian people. Political parties and labor unions must be allowed to form. Press freedoms must be respected. Political prisoners must be released. America's interest also lies in standing by the Indonesian people now. We will continue to provide humanitarian and development assistance and aid to civil society. And if and when elections are held, we will stand ready to help in any way we can.

As the world well knows, Mr. Chairman, President Clinton will leave next week for a visit to China. Although some have suggested that the President not make this trip, I cannot imagine anything more consistent with his responsibilities as President. For the President's purpose is to promote the security, political and economic interests of the United States and to bring to China a message of support for democracy, the rule of law, and human rights.

Although the space for political discussion in China has clearly expanded in recent times, the President will have the opportunity to say things that the people of China cannot say, and have not heard. And the President's presence in Tiananmen Square will ensure that the world does not forget, as it must not forget, the terrible suppression of peaceful political expression that occurred there. Moreover, the President's visit will create the chance for additional progress towards a more constructive overall relationship with China. Mr. Chairman, that process of engagement is not the same as endorsement. We continue to have sharp differences with China on human rights, Tibet and other issues, but we also believe that the best way to narrow those differences is to encourage China to become a full and responsible participant in the international system.

Steps in the right direction include China's security cooperation on the Korean peninsula and very recently in South Asia, its commitment to strictly control nuclear exports, its assurances on nuclear cooperation with Iran, its continued economic liberalization, its positive role in responding to the East Asian economic crisis, its agreement to pursue cooperative activities with us to strengthen the rule of law, the release of Wei Jingsheng and the remarkable Wang Dan, and its announced intention to sign the International Covenant on Civil and Political Rights.

In Cambodia, we are deeply engaged in a diplomatic effort to press the Government to hold free and fair elections in which all elements of the opposition can participate without fear of intimidation or threat. In Burma, we are deeply troubled by the military's regime's refusal to enter a dialogue with its democratic opposition, its continued repression of dissent, and by its ties to leading drug traffickers. I know that you are deeply concerned as well. Mr. Chairman, Indeed, it seems we are both members of the "international colonialist gang" that the regime's propaganda machine loves to complain about, since we both believe that the Burmese people should have a say in running their country. I want to thank you for helping develop a range of measures to ensure that Burma's generals cannot realize their economic ambitions without heeding the aspirations of their people.

As you know, Mr. Chairman we also have a small humanitarian aid program designed to help the Burmese people survive without helping their government endure. The people who receive our support realize that it comes from the friends of Burmese democracy abroad, not from the junta that is the cause of their suffering. Their needs are staggering: years of government neglect and denial, for example, have left Burma with the highest rate of AIDS infection in all of East Asia.

Let me assure you, Mr. Chairman, that we will not move forward in this area—or in the area of counternarcotics—without consulting with the Congress. And any efforts we undertake will only be designed with the support and involvement of Burma's legitimate elected leaders.

South Asia

There is no question that the recent Indian and Pakistani nuclear tests endanger international security and peace and dealt a blow to the nuclear nonproliferation regime. Working with other members of the UN Security Council, the G-8, and nations from around the world, we are striving to minimize the adverse consequences of those ill-considered tests. During the past few days, we have seen a willingness in both New Delhi and Islamabad to try to bring their bilateral tensions under control, resume dialogue and begin to respond to international concerns. We welcome this and urge both countries to resolve their differences peacefully, and to avoid stumbling further into an arms race they cannot afford and might not survive.

More specifically, we have called upon both countries to join the Comprehensive Test Ban Treaty (CTBT), without conditions; to stop producing fissile material; to refrain from deploying nuclear weapons and from testing or deploying missiles capable of delivering them; and to formalize their pledges not to export any materials or technology that could be used to build nuclear weapons.

India and Pakistan should take such measures not as a favor to the world community, but because it is in the security interests of each to do so. And in considering their next steps, they

should realize that the Non-Proliferation Treaty (NPT) will not be amended to include them as nuclear weapon states. This is fundamental—for the NPT is fundamental to nuclear nonproliferation. A generation ago it was predicted the world would have twenty to thirty nuclear states. No measure has done more than the NPT to prevent that. If we were to allow India and Pakistan to test their way to nuclear status under that agreement, we would create an incentive for others to follow their example.

The nuclear tests in South Asia present us with an historic choice. Some now say that nuclear nonproliferation is doomed, and the sooner we accept that, the better off we'll be. The Clinton Administration does not share that view. We believe there are a number of steps we can take to renew the strength of the nonproliferation regime, and that it is very much in the security interests of America to do so. Last week, I outlined those measures in a speech sponsored by the Stimson Center, and I will not repeat that discussion now. I do, however, want to highlight one step of particular importance, and that is Senate approval of the CTBT. [Comprehensive Test Ban Treaty] For despite the South Asia tests, the CTBT remains essential to our strategy to reduce the nuclear danger.

This Treaty has been a goal of U.S. Presidents since Dwight Eisenhower and John Kennedy. If approved and enforced, it will arrest both the development and the spread of new and more dangerous weapons. It has been widely endorsed by our military and scientific leaders. And it has consistently commanded the support of no less than seventy percent of the American people. Now more than ever, it is important to get the CTBT's monitoring and detection system up and running; to reinforce the principle that nuclear testing is not acceptable, and to dissuade other countries from following India and Pakistan's example. Accordingly, I urge Members of the Subcommittee to encourage your colleagues on the Senate Foreign Relations Committee to schedule hearings on the CTBT, to examine its merits and to approve it as soon as possible.

The Americas

In our own hemisphere, we have important interests dictated not only by proximity of geography, but by proximity of values. As President Clinton said in April at the Santiago Summit, "never have we had such an opportunity to build a true community of the Americas."

With one lonely exception, every government in the hemisphere is freely elected. Every major economy has liberalized its system for investment and trade. With war in Guatemala ended, Central America is at peace for the first time in decades. Ecuador and Peru have made real progress toward resolving their long-standing border dispute. From pole to pole, it would seem, our nations are determined to live in security and peace. But the region still faces serious challenges, which can affect us as well. For many, the dividends of economic reform are not yet visible, but the costs of accompanying austerity measures are. Growing populations put pressure on natural resources, spark large-scale migration, and make it harder to translate macroeconomic growth into higher standards of living. The building of democracy remains in all countries a work in progress, with stronger, more independent legal systems an urgent need in most. And narcotics trafficking and crime still tear at the fabric of our societies. In Santiago, President Clinton and the other 33 democratic leaders of our hemisphere set an agenda for meeting those challenges together. We agreed to boost investment in education as a foundation for success in the next century, and to fight poverty and discrimination to make sure that success is shared by all. We established new programs to protect freedom of the press, strengthen judicial systems, and improve local government—all pillars of the kind of strong democracies we want as our neighbors. And we agreed to work together to assess and improve our efforts in the war on drugs.

Finally, we all reaffirmed our commitment to free and fair trade and economic integration. To reach that goal, we will soon begin negotiations for a Free Trade Area of the Americas. We also will do more to ensure that basic worker rights are secure throughout the hemisphere, so that prosperity for some does not come at the cost of suffering for others. And we will work together to develop clean energy sources and protect our environment as we grow.

This new quality of partnership means that the United States is not supporting all these projects alone. Several South American countries have joined us as major donors for education, democracy, and anti-poverty projects. Many nations from this hemisphere contribute to UN peacekeeping operations and play important roles in mediating regional conflicts. We can count on strong support from our neighbors—but where our interests are at stake, we cannot fail to lead.

That is why it is vital that we remain engaged in Haiti's democratic transition—and why we have requested a substantial increase in assistance for that country this year. The job of creating a democratic culture and market economy in Haiti, where none has ever existed, is daunting. For months, the government has been mired in a stalemate, while efforts to restructure the economy have lagged. For millions of impoverished Haitians, democracy has not yet delivered on the hope of prosperity.

When I visited Haiti in April, I was reminded again how much Haitians desire change. I had the chance to meet many dedicated people who are using our assistance programs, and their own ingenuity and drive, to vaccinate children, open schools, and fight drugs. They have a vision of a better future, and we are supporting it through programs that create jobs, lay the foundation for sustained economic growth, and professionalize Haitian law enforcement.

We cannot turn our backs on Haiti at this critical stage. To do so would risk creating a future there that mirrors the past: an undemocratic country that serves as a safe haven for criminals and drug traffickers—and from which thousands of would-be migrants are driven to seek refuge on our shores.

Helping democracy put down roots in Haiti serves U.S. interests. The same is true in Cuba. Over the past two decades, the Americas have been transformed from a hemisphere dense with dictators to one in which every single country but one has an elected government. We believe the Cuban people deserve the same rights and liberties as their counterparts from Argentina to Alaska.

With that goal in mind—and taking advantage of the opportunities presented by the Pope's historic visit—the President in March decided to take four actions to reach out to the people of Cuba to make their lives more tolerable, while maintaining the Helms-Burton Act and the embargo and other pressures for change on the Castro regime. We are working with leaders in the Senate and the other body to develop bipartisan legislation to meet humanitarian food needs on the island. We are streamlining and expediting the issuance of licenses for the sale of medical supplies to Cuba. We are resuming licensing direct humanitarian charter flights. And we are restoring arrangements to permit Cuban-American families to send remittances to their relatives in Cuba.

We know that in expectation of the Pope's visit, Christmas Day had special meaning in Cuba this year. We will not rest until another day—Election Day—has real meaning there, as well.

Africa

As the world saw when President Clinton visited Africa earlier this year, this is a continent whose problems remain deeply-rooted, but whose potential is great. More and more, countries are modernizing. Centralized economies are giving way to open markets seeking new investment. And civil society is starting to take root. Accordingly, we have a good opportunity now to engage and enlist Africa in the fight against terror, narcotics trafficking, crime, environmental degradation, and other global problems before they spill over into other parts of the world—including America.

As the President's visit reflects, we have been according a high priority to events in Africa. Recently, for example, Assistant Secretary Susan Rice has played a lead role in diplomatic efforts to end the senseless and destructive fighting between Ethiopia and Eritrea. We are exploring every option for encouraging the new leaders in Nigeria to respect human rights and to

move down the path towards real democracy. And we have tried hard to persuade the leaders of the Democratic Republic of Congo to permit opposition political activity and to take steps that would enable that vast and strategic country to get back on its feet economically.

Although these diplomatic initiatives have not yet succeeded, we retain our faith in the promise of Africa, and are determined to persist in our efforts throughout the continent. Let me highlight three important initiatives that can have real benefits for Africans—and for us:

The Great Lakes Justice Initiative will help prevent violence and bring justice to Africa's heart. [The Great Lakes here consist of a group of large lakes chiefly in the Great Rift Valley of East Central Africa, including Lakes Albert, Malawi, Tanganyika, Turkana, and Victoria.] We have requested \$30 million for this urgent initiative, that can help save lives directly and soon. For the Education for Development and Democracy Initiative, which will build civil society and fuel economic growth, we seek \$66 million in new funding. The Trade and Investment Initiative will stimulate African economic reform and domestic and international trade. It involves \$30 million for technical assistance and \$35 million of special debt relief for poor countries that are taking the right steps toward reform.

I also urge the Senate to act this year to approve the Africa Growth and Opportunities Act, to spur trade between the United States and Africa's most forward-looking economies. This is a Capitol Hill initiative, on which I will testify tomorrow before the Senate Finance Committee. The bill is strongly supported by the Administration: it was approved on a bipartisan basis by the House of Representatives; and is designed to frame a new American approach to the new Africa.

We believe that the African countries that most deserve our help are those that are doing the most to help themselves. And that the most useful help we can provide is the kind that will enable economies to stand on their own feet—through open markets, greater investment, increased trade, and the development among their peoples of 21st century skills. These programs deserve your support.

Promoting Our Security Through Arms Control

When we help ease conflicts in regions important to the United States, we advance the long-term interests and safety of Americans. The same is true of our support for arms control and anti-terrorism efforts around the world. The South Asia nuclear tests have complicated, but not altered, the nature of the twin imperative our diplomats face: sustaining a global full-court press to keep biological, chemical and nuclear weapons, and the missiles to deliver them, from falling into the wrong hands; and achieving further progress with Russia and others so that the American people never again face the costs and dangers of a nuclear arms race.

Towards these goals, we ask your support.

This year, we are requesting \$28.9 million to fund the CTBT Preparatory Commission, which is laying the human and technical foundation for the Treaty's entry into force. Whether or not the test ban treaty is in force, we need to do the best job we can to detect and monitor any explosive testing of nuclear weapons around the world. These funds will help build the international verification system that will help us to accomplish those tasks.

I also ask your support for our proposed \$40 million voluntary contribution to the International Atomic Energy Agency (IAEA). These funds will help the Agency continue strengthening the safeguards system that helps deter and detect cheating on NPT obligations in such countries as North Korea, Iraq and Iran.

Our request this year includes \$35 million for the Korean Energy Development Organization (KEDO). The Agreed Framework has succeeded in freezing North Korea's dangerous nuclear program. And it has secured, under international safeguards, all of that program's spent fuel rods—which once could have been reprocessed into several bombs' worth of weapons-grade

plutonium. Our own spending on KEDO is needed to leverage contributions from our Asian allies that will ultimately dwarf our own. More importantly, it is a national security bargain—spending that has helped to stabilize a volatile peninsula, support a close ally, and make our 37,000 troops in Korea safer.

Finally, our Nonproliferation and Disarmament Fund lets us move quickly to destroy or remove dangerous weapons or poorly protected nuclear materials from NIS countries. And the International Science Centers in Kiev and Moscow address the human side of the proliferation threat, helping to prevent a perilous brain drain of scientists with special weapons expertise to rogue states.

Fighting Terrorism

We also have a critical national interest in fighting international terror and helping others to do the same.

This year, we are requesting \$21 million for our anti-terrorism programs. These programs enhance the skills of police and security officials in selected countries so that they may be more effective partners in preventing and punishing terrorist acts. The \$2 million increase over last year's funding level will help fund training in terrorist interdiction and explosives detection and investigation, and will allow us to beef up our programs in the Middle East and Asia.

Anti-Personnel Landmines

This year we seek a major increase in funding, from \$20 million to \$50 million, to support the Administration's Demining 2010 initiative. With strong support from Senator Leahy and other Senators from both parties, America leads the world in humanitarian demining—and we are determined to do even more.

President Clinton has pledged that the United States will substantially increase America's support for de-mining programs. The resources we have requested from you will help persuade other countries to increase their own contributions as well. And that will help us meet our larger goal: to free civilians everywhere from the threat of landmines by the year 2010. The security-related programs I have been discussing fall within the Non-Proliferation, Antiterrorism, Demining, and Related Programs, or "NADR" Account, which was created in the FY 1997 Foreign Operations Appropriation Act to consolidate in one account a number of related programs previously funded separately. This year our NADR request includes funding for the CTBT Preparatory Commission previously funded through the Arms Control and Disarmament Agency] and the CJS [Commerce, Justice, State, Judiciary, and Related Programs Appropriations Account], funding for the Science Centers previously included in the NIS account, and our first request for export control assistance as a separately funded activity.

Fighting Drugs and Crime

Last week at the UN Special Summit on Drugs, President Clinton re-stated America's strong commitment to the international war against illegal trafficking in narcotics.

In that war, we have moved aggressively and with results. This past year, our support for eradication and interdiction helped trigger the largest decline ever in Latin American coca production. For the second year in a row, production fell in every Latin American country—except Colombia, where traffickers moved when denied the freedom to operate elsewhere. In Peru, coca cultivation is at its lowest level in a decade. Although drug-related corruption remains a very serious problem in Mexico, official cooperation and support for anti-drug initiatives has been substantial. Last week in New York, Presidents Clinton and Zedillo reaffirmed that policy of cooperation, notwithstanding the recent controversy surrounding the drug money laundering investigation Operation Casablanca.

Over the past year, Mexico has enacted legal reforms to combat drug trafficking, organized crime, and money laundering. It has formed specialized investigative units, sought out and punished official malfeasance, and passed a comprehensive chemical control law. Drug seizures, arrests and extraditions are up.

We ask your support for our request for \$275 million to continue the fight against international narcotics and crime. In addition to other anti-crime initiatives, these funds support our source country narcotics eradication and alternative development programs—following up on our progress in the Andes and transferring that approach to new projects elsewhere in Latin America and in Africa and Asia.

These funds support police and military counter-narcotics forces as they uncover and block new smuggling routes and methods. They will bolster eradication and interdiction programs in Laos, Colombia, Peru, and elsewhere. They fund a comprehensive, international heroin control strategy. And they support carefully-monitored multilateral narcotics efforts in Afghanistan and Burma—where success is critical but our access is limited.

Our request also includes \$20 million for worldwide anti-crime programs. This training and technical assistance helps fight money laundering, trafficking in women and girls, alien smuggling, and other crimes which, although they begin far from our shores, often put Americans at risk. We are depending on these funds as we work to bolster anti-crime initiatives with our partners in the New Independent States. And these same resources support the International Law Enforcement Academy in Budapest, and similar academies slated to open elsewhere.

II. PROMOTING ECONOMIC GROWTH AND SUSTAINABLE DEVELOPMENT

Mr. Chairman, peace and security are paramount goals of our international programs, but promoting economic prosperity is another top priority. International trade is twice as important to our domestic economy as it was twenty-five years ago. Strong trade-building policies and healthy trading partners are essential—for increased trade is responsible for fully one third of our economic growth over the last five years. The Clinton Administration is committed to seeing that American companies, workers and farmers have a level playing field on which to compete. That means being a global leader for trade agreements that help open markets and create jobs for Americans.

It means using the expertise and contacts of our embassies to provide all appropriate help to American firms. It means sustaining the Export-Import Bank, the Trade and Development Agency, and the Overseas Private Investment Corporation, which help our business people find new markets overseas. And it means putting our full weight behind better enforcement of intellectual property standards, and improved observance of core labor rights, from the halls of the World Trade Organization and the International Labor Organization to our assistance programs and to my dealings with other world leaders.

But our diplomats and our businesspeople need your commitment as well, and your support for the resources that make these efforts possible. The first place we need your support is for our leadership at the international financial institutions, such as the IMF [International Monetary Fund], and the World Bank. They provide money—far more than we ever could—not just to help countries develop, but to head off crises in some of our key trading partners and friends. This is important because, in a globalized economy, trade is not a zero-sum game. When the economies of our trading partners falter, we risk slipping as well.

East Asia, for example, is home to some of our closest allies and friends—and some of the best customers for U.S. products and services. More than one third of our nation's exports go

there. As much as half of some states' exports, and thousands of good jobs, depend on the economic vigor of such places as Bangkok and Seoul.

The IMF is not perfect. No international organization, or government, can make that claim. But its programs have helped restore financial stability, and promote better governance, in East Asia.

But we are far from out of the woods yet. Financial markets are watching for signs of relapse, of contagion in regions such as Central Europe and Latin America—or for signs that the international community, beginning with the United States, will not supply the IMF with the resources it needs to support countries in difficulty.

We can choose to be leaders at these institutions, by paying our full share and staying heavily involved in their decision-making; or we can forfeit our involvement by not paying, and thus lose our influence. Simply put, the IMF's programs are a hand up, not a hand-out. They won't cost U.S. taxpayers a dime—they are a loan that will be repaid with interest as our financial markets stay strong and our trade with the Asia-Pacific recovers and grows.

With members of this Subcommittee providing leadership and insight, the Senate took early, bipartisan action to fully fund our emergency supplemental request. I deeply regret that the Senate position was not retained in Conference, and that no action was taken on our urgent request for UN arrears and IMF funding. But I hope we can work together to fund these requests soon. By paying our full share of the IMF's quota increase, we will spur economic recovery in East Asia and help limit similar crises in the future.

Our supplemental request would also provide our contribution to a line of credit for the IMF to use if a crisis threatens the world financial system. Both of these requests are for budget authority only—they involve no outlay of funds and have no effect on calculations of government spending. The choice to support the IMF is a choice between shaping the global economy, or allowing ourselves to be buffeted by it: between sustaining America's leadership, or abdicating it.

Our support for the World Bank and the five regional development banks also works to build healthier economies and strengthen societies in countries which are already our partners in diplomacy and trade, as well as in those which are unable to participate fully in the international system but seek to do so. Our total request for multilateral development banks includes \$502 million in arrears payments, for the second year of a three-year plan to clear our debts to these institutions.

With the support of this Subcommittee, we have begun to make catch-up payments this year—and have been able to negotiate substantial reductions in our contributions to these organizations. Our campaign for transparency and accountability has helped open Bank activities, especially in East Asia, to greater public scrutiny. But we cannot sustain our influence in these areas unless we sustain our funding as well.

Let me also emphasize the work of the Global Environment Facility (GEF), which mobilizes the resources of developed and developing nations to protect the environment. Our contributions to the GEF help protect our fisheries and our climate by cutting pollution of the world's oceans. Already, GEF programs are working to reduce emissions in developing nations. Making sure that all nations do their part in slowing global warming is a critical part of our strategy: through the GEF, those efforts have already begun. And we know they work.

But it is difficult, to say the least, to obtain more cooperation from our partners on these matters so long as we are failing to fund our pledged share of the GEF's expenses—as has been the case for the past three years. I urge you to fund our \$300 million request fully—of which almost \$193 million is for arrears payments—both to meet these important objectives and to work toward keeping our promises and sustaining our influence on behalf of sound and sensible

environmental protection. Similarly, I ask your support for activities under the Montreal Protocol, to help address the critical issue of ozone depletion.

When we contribute to multilateral efforts promoting sustainable development, we leverage as much as eight or ten times our national contribution to support goals we share.

This year, we have requested a modest \$7 million increase in our contributions to the United Nations Development Program (UNDP), a body which has to date always been headed by an American. For years, UNDP has been at the forefront of helping developing countries establish democratic institutions, market economies and basic human rights. It supports free elections from Yemen to Mexico City; establishes credit arrangements for small enterprises in Ghana, Mongolia, and Romania; and coordinates de-mining programs from Mozambique to Cambodia. The need for UNDP's work remains especially strong among African countries emerging from war and hunger with great aspirations—and serious reform plans; and among Asia's poorer nations, trying to catch up with their neighbors. It also plays a major role in supporting women worldwide as they work to gain more equal access to the levers of political and economic power.

Like UNDP, UNICEF [United Nations Children's Fund] plays an important role in countries suffering or recovering from the devastation caused by civil or international conflict. Around the world, UNICEF helps protect children—a society's most vulnerable members and its hope for the future. We have maintained our request for funding for UNICEF at \$100 million for FY 1999. Mr. Chairman, one of the most inspiring ways this account helps make a difference in the lives of men and women in this country and around the world is through its support for the Peace Corps. The Peace Corps has been one of this country's most successful programs overseas—both in bringing skills and knowledge to those who desperately need them, and in bringing great respect and admiration to America and Americans. President Clinton's request for \$270 million in funding will put us well along the path to having 10,000 volunteers serving overseas by the year 2000.

Mr. Chairman, we also ask your support for our population and health programs, which help developing nations devote more of their scarce resources to building a better future for their citizens. Our voluntary family planning programs serve our broader interests as well. When women and families can choose the number and timing of their children, population growth rates stabilize. Maternal and infant mortality decline—as does the demand for abortions. In Russia alone, for example, AID's support for voluntary birth control has helped reduce the abortion rate by a reported thirty percent over five years.

III. PROMOTING DEMOCRACY, HUMAN RIGHTS AND THE RULE OF LAW

Mr. Chairman, America's global leadership is derived not only from our economic and military power, but also from the power of our ideals. And fundamental to American ideals is our commitment to democracy, human rights and the rule of law. To millions around the world, the United States represents the potential of democracy. Wherever we are visibly present and engaged, we give hope to people who are struggling to secure their human rights and to build democracy.

By building partnerships with other freedom-loving peoples, we extend the spread of democracy and open markets that has enhanced our own security and prosperity and been the signature element of our age. The State Department's Democracy, Human Rights and Labor Bureau and USAID's [U.S. Agency for International Development] Democracy and Governance Center work together to consolidate democracy where it has taken root and to support nations seeking paths to democratic rule. USAID's democracy and governance funds have helped nearly double women's participation in Bangladeshi elections and encourage greater accountability within the Palestinian Authority. For many years, USAID programs quietly provided the sole

source of outside support for NGOs and human rights groups in Indonesia—groups that today have emerged to help shape their country's future. I know you have heard separately from Brian Atwood about USAID's request, but let me take this opportunity to indicate my strong support for it, and for the work USAID is doing around the world. We also bolster democracy through our economic support and development assistance programs in selected countries. For example, the economic support funds we request will help improve judicial systems in Africa and Latin America; work to sustain peace and democracy in Guatemala; and contribute to the work of the War Crimes Tribunals for Rwanda and the former Yugoslavia. Whether through the SEED and Partnership for Freedom programs, the President's Africa Great Lakes Initiative, or USAID's Office of Transition Initiatives, when we support human rights and democracy we are supporting our natural partners—and our natural interests.

IV. PROVIDING HUMANITARIAN ASSISTANCE

This year, we have requested \$670 million for Migration and Refugee Assistance and for our emergency funds in this area. That is the amount we need to do our part in international relief for victims of persecution or armed conflict. The request also includes funding for new initiatives to assist and protect refugee children.

We have also requested funds for international disaster assistance, including programs to respond to the ever-present risk of biological, chemical or nuclear disasters abroad.

V. CONCLUSION

As always, Mr. Chairman, I come before you with my mind focused on the present and future, but conscious, also, of past events that have shaped our lives and that of our nation.

Fifty years ago, a Communist coup in my native Czechoslovakia altered forever the course of my life and prompted, as well, an urgent rethinking by the west of what was needed to defend freedom in Europe. In that defining year, a Democratic President and a Republican Congress approved the Marshall Plan, laid the groundwork for NATO, helped create the Organization of American States, established the Voice of America, recognized the infant state of Israel, airlifted life-sustaining aid to a blockaded Berlin and helped an embattled Turkey and Greece remain on freedom's side of the Iron Curtain.

Secretary of State George Marshall called this record "a brilliant demonstration of the ability of the American people to meet the great responsibilities of their New World position." There are those who say that Americans have changed and that we are now too inward-looking and complacent to shoulder comparable responsibilities. This year, we have the opportunity to prove the cynics wrong. And Mr. Chairman and members of the Subcommittee, I believe we will. From the streets of Belfast and Sarajevo to classrooms in Africa and South America to boardrooms in Asia and courtrooms at The Hague, America's influence and leadership is as beneficial and as deeply felt in the world today as it has ever been.

That is not the result of some foreign policy theory. It is a reflection of American character. We Americans have an enormous advantage over many other countries because we know who we are and what we believe. We have a purpose. And like the farmer's faith that seeds and sweat and rain will cause crops to grow, it is our faith that if we are true to our principles, we will succeed. Let us, then, live up to the heritage of our past, and together fulfill the promise of our future—and so enter the new century free and respected, prosperous and at peace.